

Sustainable Funding for Conservation of Iowa's Natural Resources Meeting Summary

Forest Park Nature Center – Perry, Iowa September 20, 2006

Committee members present:

Duane	Sand	for Mark Ackelson	Iowa Natural Heritage Foundation
Dan	Cohen		IACCB
Dick	Dearden		IA Senate-Democrat
Barbara	Finch		Iowa Farm Bureau
Rich	Leopold		Iowa Environmental Council
Lola	Lopes		The Nature Conservancy
Pauline	Novotny		Izaak Walton League of Iowa
Marvin	Shirley		Farmers Union
Ken	Tow		Secretary of Agriculture
Dave	Van Waus		Pheasants Forever
John	Whitaker		IA House of Representatives-Democrat
Mary	Lundby		Legislative Staff: IA Senate-Republican
Jane	Clark		Sierra Club
Ken	Herring	for Jeff Vonk	IA DNR
Owen	Shunkwiler		Iowa Renewable Fuels Association
Henry	Rayhons		Iowa House of Representatives-Republican
Jim	Obradovich	for Deb Ryun	Conservation Districts of Iowa

Committee member(s) absent:

Tammi	Kircher	Ducks Unlimited
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Committee Support Staff

Diane	Ford-Shivvers	IA DNR Legislative Liaison / SF Support
Doug	Harr	IA DNR Program Coordinator/SF Facilitator
Kim	Rasler	IA DNR / SF Support
Sharon	Tahtinen	IA DNR Legislative Liaison / SF Support
Peter	Fritzell	IA DNR / SF Support
Jim	Zohrer	contract support through DNR

Public present:

Jace	Mikels	IA Senate – Dem
Angela	Grover	The Nature Conservancy
Mary	Braun	House Democratic Staff
Matt	Hare	The Nature Conservancy
Deb	Kozel	LSA
Don	Brazelton	IACCB

Welcome and introduction of new committee members and public**Review today's agenda**

Herring - opening remarks: Recently traveled to the western United States and discussed park fees across the nation and referred to Iowa's natural treasures. States across America are working on finding sources of funding as we are.

Harr - reviewed agenda
- discussed the top 10 funding ideas survey results
 * DNR support staff to post the top 10 survey results on the website
- Sustainable Funding website is up and running
 - www.iowadnr.com, click on Sustainable Funding link on left side of web page.

Report on public polling/survey needs--subcommittee

Subcommittee report re 09/15/06 phone conference:

Finch - Good discussion at the conference that helped gather thoughts.

Fritzell – Summarized phone conference:

- Recommended defining natural resources before the survey is created to be able to identify a measurable product and what/who will be accountable.
- Committee to determine definition of natural resources
- It was noted in phone conference that DNR may/would not be the only agency receiving the funding
- DNR priorities were requested (info submitted to the full committee for review)
- Draft of SCORP plan was discussed and submitted to the subcommittee
- Survey costs were discussed:
 - DJ Case & Associates - \$35,000 for 2000 surveys (mail surveys)
 - Responsive Management - Spending for comparable surveys (phone survey)
 - ISU/CARD – could not meet the time frame and referred us to ECONorthwest (ISU would need 2 months for data collection of mail survey)
 - ECONorthwest – information pending

Concerns about phone surveys versus mail surveys were discussed.

Finch – subcommittee agreed that:

- we have to find some way to entice everyone to want to complete the survey.
- we need to define the survey – ie refer to Missouri's wording re Conservation and Parks/Soils Sales Tax's explanation to explain in concrete terms versus a philosophy.

Fritzell – the survey needs to be focused.

Discussion re the subcommittee's findings:

Cohen – Rep. Whitaker had 4-5 things re definition of natural resources at last meeting.

Whitaker - In the bill that we ran through the natural resources committee, we identified soil conservation, parks, trails, and wildlife (public access program).

Fritzell – Re willingness to pay survey, believe you are asking more which mechanism would you be willing to pay for versus how much would you pay.

Lopes – re technical point re willingness to pay, it is important to make clear to company doing the survey the type of questions we want them to use.

Grover, TNC – Is the committee able to use the legislation for a public survey or use it for actual research?

Harr – No specifics were identified; just assess the willingness to pay.

Sen. Lundby – You will want an across the board willingness to pay to move the legislature. They are driven by the tax payer general public.

Grover, TNC – Public opinion research can be done more quickly than a survey.

M. Shirley – 3 things we need to determine: 1) Will public accept the tax increase, 2) If it will be in the constitution, 3) Will they accept the fees not in the constitution.

Presentation on income sources and needs -- support staff / Duane Sand

Sand – presented a Funding Source breakdown based on the committee’s top 10 survey results. The breakdown was ranked by survey order results and the document was created as a thought process and was for the committee’s review and consideration.

Sand identified the need to clarify what sustainable is in sustainable funding and noted that, at the previous meetings, it was agreed that the funding should be untouchable. He reported:

We may want to consider for sustainability:

Bonding – as good as a 20 year referendum with a sunset clause and would make sense to policy makers

Diverse revenue sources that may help with sustainable funding

Leveraging – the more leverage, the more we have sustainable legislation

Sand - We need to shorten the list of sustainable funding from 14 to an amount we can remember. Can we identify 5 recommendations that match enough priority needs to build a strong coalition of leadership around them? We have a lot of good ideas that should not be dropped but thought of as something other than a priority request. There are ideas that may be in a third group to plant the next generation of policy ideas.

Discussion re Sand’s Funding Source chart:

Whitaker: re SRF underutilized, may be due to lack of functionality versus lack of need.

Sand: Think that would change.

Whitaker: Free federal money is not enough.

Sand: If committee determines, would be willing to explore that further.

Obradovich: Any estimate, Deb Kozel, re increase in revenues now that facilities are online?

Kozel: No

Finch - Expressed concern over accessing funds related to underground tanks and bio-fuels.

Sand: Re severance tax, get the same result if paid by the user and ethanol subsidy to gas stations; it depends on E85 tax breakdown and only a certain part of that needs to be revised.

Herring - Believes the diversification of funding is a good idea as the real estate transfer tax. The committee will need to focus on long term funding. We do need to be aware of economic aspects and believe we need to have individuals responsible, such as participating in conservation easements.

Sand – Point re farmers dealing with non-point sources is acknowledged and INHF has been working on this. We should be working to change the social contract so all pay for conservation versus the brunt coming out of the farmer's pocket.

M. Shirley – Appreciate the chart presented. The Real Estate Transfer Tax could be expanded. I, as others, may be much more liable to vote on those creating a problem.

Lopes – Re Severance Tax issue, putting this together with the water tax is interesting. Iowa is shorting itself by selling our resources cheaply, ie using water for out-of-state items.

Finch – How many of our surrounding states use/feel about the severance tax so we don't put ourselves out of being competitive?

Whitaker – As a true severance tax, Iowa's the only state (forestry, coal, oil) that is on the map not taxing. The study was done last April.

Clark – We need to explore other states' permit fees re material use if we are to explore other states paying severance tax.

Finch – On 09/15/06, the subcommittee reviewed lottery, noticed Missouri has sales tax on lottery tickets and they make millions from that. Part of it goes to education and 15-16 million went to environmental.

Herring – Re State bonds, how to you, Sand, envision them being paid back or just forgiven.

Sand – Gaming revenue and re-evaluating current formulas. And, re Real Estate Transfer Tax, we can look at how that is distributed, also.

Leopold – Expressed concern about diversity in funding mechanisms. It might be better to have it simplified, ie having 3 items versus 10 items presented.

Rep. Rayhons – Relying on the gambling revenue is mentioned quite a bit and there are many who want to discontinue it, yet there are many who want to use that money. We're about 500 million behind on that. The new casinos will only bring about 50 million and there are ideas for the increases already for basic infrastructure.

Sen. Lundby – The Racing and Gaming Commission may allow for 2 additional casinos. We need to ask what the potential for that is and if we go that way we need to start soon to see about getting that money dedicated which would be a potential of 20-25 million. We have a better opportunity for user fees versus broad taxes. Good opportunity re underground storage tank fees and use bonds and to dovetail on taxing birdseed and binoculars.

Lopes – Although a legislative reality, we should be advocates to follow in the footsteps of a state like Missouri.

Herring – DNR Parks Bureau Chief just got back from a meeting, and was asked about park user fee. He said no, we don't want to go there this year. One reason is several states that initiated park user fees have taken them off with the idea that parks are suppose to be available for everyone.

Finch – 97 counties have passed the 1 cent sales tax because they know where the money is going. If we do a sales tax and tell the people where the funds are going to, I think dedicated monies is the way to go.

Sen. Lundby – How much does a penny or ½ penny generates in sales tax?

Herring: 300 million for FY2005

Lopes: Would having a fraction increase would that cause a problem for those collecting the sales tax?

Sen. Dearden – No, especially with today's computers.

Ford-Shivvers – presented/reviewed/discussed drafts of documents noting current funding

sources and estimated needs for natural resources.

Sand – reviewed/discussed trails needs: It takes 5 million a year to match what can be acquired from the Feds. New trail acquisition, based on rate of abandonment, is 7 million/year.

Maintenance and improvements should be approximately 15 million – this doesn't include the interest of water, equestrian, or off-road trails. The current funding is approximately 2 million and what they can get out of REAP.

Cohen – expanded on the CCB needs in the Summary of Funds draft handout.

- * Infrastructure needs are not addressed at all. With 99 counties, we would need to poll them all to get that info.

- * Environmental education – CCBs do the lion's share of this and we easily need to double the number of educators in the state. This could be easily justified.

- * Acquisition needs of CCBs - currently we get \$5 million requested for and we have 1 million to give away through REAP.

- * CCB manages a good share of the trails in Iowa and, long-term, this should be managed by the State. But now the burden falls on the counties.

Working Lunch – presentation by Angela Grover, The Nature Conservancy (TNC)

Grover - Provided TNC history with fundraising

- Recommended, for public funding, do feasibility research, as you are doing now
- Grover has previous feasibility reports to share if the committee would like to review
- We never do a campaign without polling the public
 - Conservation issues are normally a solid second tier, there's always something above it (ie war, health care). The good news is that we are a solid second.
 - A poll will give you a sense on willingness to pay and people's interest in natural resources.
 - Water quality and leaving a legacy for future generations are normally the top two in a poll
- Besides defining what natural resources are, you need to decide what the benefits of natural resources are.
- Hopefully, you will be able to get it down to 3 viable options for funding.
- People are skeptical of public opinion polls – you need to word the questions/comments truthfully.
- Discussed other States' pros and cons (CO, MN, OR, NJ, FL, Ala)
 - Accountability is very important – helps instill trust in government and in appropriating funding
 - Bonding is a preferred method
 - NJ leverages local funds
 - Federal funds have become more competitive to get
 - Florida uses Real Estate Transfer Tax – a guaranteed income to pay back the bonds
 - Alabama uses severance tax
- Next, would be to settle on what we all agree on and present it to the legislators.
- Grover's expertise is getting people to vote.

Discussion re Grover's presentation:

Leopold – What's your opinion on gaming/lottery revenues?

Grover – Haven't seen it decrease but there are many who think it's contentious. There is a discussion to be had on the revenue projection.

- re tax on sporting goods, VA does, and TN's figures were just calculated and it's 32 million a year.

Sand – Referendums and initiatives go well when you show a local impact. Any advice on how to connect and prove that there's a local value?

Angie – If we do a bond, it's all about the benefits. I want to know exactly what I'm paying for. Water quality is a direct result of protecting the land and water quality is the top concern of the public.

Cohen – Re language used in poll, ie water quality, should we be asking if people would be willing to pay for clean water versus land acquisition.

Angie – Yes. For example, ask: would you be willing to pay an extra 5 cents on your water bill for clean water, etc, and not asking if willing to pay to leverage CRP.

Defining "Natural Resources" – support staff and full committee

Harr: introduced Jim Zohrer (currently with E Resources)

Zohrer – presented background of self, then directed committee into defining natural resources. Distributed a form to the committee to discuss and rank natural resources.

Discussion re the ranking list:

Overlap and clarity of the list was discussed. Cohen noted that the list contained natural resources (products), as well as strategies and by-products, of which the committee may want to decide if the item belongs on the ranking sheet.

Cohen/Obradovich: What are the measurable results of the natural resource funding (ie we will be able to swim in every lake, public hunting areas within 30 minutes of your home).

Finch – referred to the categorizing such as Missouri's.

Rep. Whitaker – The bill basically referred to fish, wildlife, parks, soil conservation. Re trails, believe we have to have trails in there as well as parks.

Cohen – Believe narrowing it down to fish, wildlife, parks, etc., with strategies to support those ideas would be good.

VanWaus – Water quality is a good term to have in survey and on the ballot and how that relates to agriculture and soil conservation. Maybe need to condense items to three.

Sen. Lundby – Ballot item needs to be very simple, something that every person going to the poll knows what we are talking about. Many don't understand preserves, but they will most likely understand fishing or using a trail. The spending of the money needs to allow flexibility to address the items on the list.

Herring – if we can break this list down and identify
Fish Forest Wildlife

<p>Soil and water conservation/resources Open Spaces Recreation and parks</p> <p>Leopold: add Water quality Natural places for people Outdoor recreation opportunities</p> <p>Specific questions to ask the public were being brainstormed, such as, “Would you support an increase in outdoor recreation opportunities and water quality?” Grover redirected the committee, noting polling professionals will be able to word the questions for you. It may be beneficial for the committee, at this point, to focus on what the natural resources are and what they want funded and how.</p>
<p>Herring – Committee polled: Do we want to try and define natural resources in a narrow focus? Committee response: Yes</p> <p>The committee brainstormed a list of focused categories relating to natural resources. Then the list was narrowed down evaluating what is truly a resource versus being a by-product (ie recreation). The final list consisted of 3 groups of natural resource categories in no particular order of importance:</p> <ol style="list-style-type: none"> 1) fish, wildlife, natural areas 2) soil and water 3) parks and trails <p>Herring – Committee polled: Consensus on the revised list defining natural resources? Committee response: Yes</p> <p>The committee asked the questions:</p> <ul style="list-style-type: none"> - What are we going to spend the money on? - Can we get the expense and income reports tightened up? - Are we putting together a final list of what will be polled? <ul style="list-style-type: none"> - Grover gave the committee the direction to choose what will get you enough money and if the mechanism will fund what you need and complete the needs statement on Ford-Shivvers’ funding needs draft list.

Determine next tasks, subcommittee needs, meeting date, and meeting site
<p>Sand was asked how to move forward with the information chart he presented.</p> <p>Sand – We may want to identify what the 8 feasible funding mechanisms would be for the committee to review at the next meeting. We need a subcommittee to reduce the list for the committee to review before the next meeting.</p>
<p>Discussion re how to identify and reduce funding mechanisms:</p> <p>Obradovich – re looking at big ticket items, see what in the list may give you the biggest funding and weed out the lesser amount ones.</p> <p>Sand – Strategically, we may go to different sources that may be less than 20 million or even less</p>

than 10 million.

Finch – Re retail sales tax, how much would that actually generate? The 08/09/06 figures presented 1/10th of a percent would give us about 29 million – is that correct?

Rep. Whitaker – Re FY2006, the sales tax was 1.885 billion and 1/10th of a penny with actuals gave us about 38 million

Finch – To get that 1/10th, we'd need a referendum?

Rep. Whitaker – No, the sales tax is in place.

Finch – If we do a survey question, we may want to ask the public if they would be willing to have an extra tax versus using what we have already.

Finch – Also, we may want to put 5% on lottery tickets.

Harr – What funding sources do you want to choose?

Leopold – Think we may want to spend more time discussing each of the funding sources for the next meeting.

M. Shirley – Think certain items, such as real estate transfer tax, could be changed to increase income.

Sen. Lundby – Need to mix reality with what we think we want. If you want to draw out something from the general fund, there's someone who will be against it. The subcommittee will need to, also, look at what we really can do and what will motivate people.

Sand – Re picking funding tools, have brief conversation with the elected officials to see what they would like researched on further and use them as the focus group on what's real or not real.

Richard – Like that idea. Some of the political realities on the sheet need to be evaluated by those who know.

Rep. Whitaker – Think a fact sheet on each funding source would be good: where are the dollars going to now and what would be taken away.

M. Shirley – Maybe certain areas, such as the groundwater protection act, should be reviewed.

Cohen – We may want to look at short term and long term realities and have a fact sheet on the 7 current items on the list and weed out what is possible right now and some that may be possible in the future.

Leopold – Have a plan A (what we want) and plan B (existing pots of money)

Herring – With legislative leadership here, with history of other states, let's use them to guide Sand with this list of funding sources, also, put M. Shirley's idea of user fees back out for consideration. Believe this committee can make the deadline.

Herring - Does the committee agree to have Duane Sand meet with the legislators here and to create fact sheets on the viable funding options?

Committee Response: Yes

Leopold – suggested a subcommittee re spending the money

Sen. Lundby – Can you spend the money in percentages instead of dollar amounts?

Yes

Sand – Wildlife action plan is an incredible piece of work.

* DNR can provide a summary of the wildlife plan for committee review

Finch – Would like it before the next meeting

Leopold – think a full committee reviewing the funding may dilute the content and a

subcommittee may be able to narrow it down

Grover – Can provide a needs assessment from a legislative committee

* DNR will get with Grover to provide this information for the committee

The committee agreed a subcommittee should be formed to target the resources for the full committee to review. The subcommittee will evaluate the funding needs and mechanisms on how those needs can be met.

Subcommittee members: Ken Herring, Ken Tow, Rich Leopold, Dan Cohen, Jim Obradovich

Subcommittee meeting recorder: Kim Rasler

Harr – Re Ford-Shivvers draft documents re current funding sources and estimated natural resource needs, will need to have more information noted in that breakdown.

Cohen – we need to add what would be done if we had funding for items that aren't on the list.

* DNR to review/update current funding sources/estimated needs documents for committee review.

Herring – re difference between public opinion survey versus a specific willingness to pay, what does the group feel?

Committee Response: Public opinion survey consensus (ie random selection versus groups like park users). Will need to select a subcommittee/group to work on that in the future.

Next Full Committee Meeting

October 11, 2006 10a-3p
Tama County Nature Center
Otter Creek Lake and Park
2283 Park Road
Toledo, IA

The committee determined to hold an ICN public meeting in November.

* DNR support staff will coordinate the ICN meeting and locations.

* DNR support staff will follow up on the process of putting a public input section on the sustainable funding website.

Public Meeting

Tentatively scheduled for:
Thursday, November 9, 2006, in the evening.
ICN locations TBA